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READ INSTRUCTIONS CAREFULLY BEFORE PROCEEDING		FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE		Approved by OMB 3060-0589 Page No <u>1</u> of <u>3</u>	
(1) LOCKBOX # 358145		FCC/MILLION SEP 27 2002		SPECIAL USE FCC USE ONLY	
SECTION A - PAYER INFORMATION - -					
(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) Hogan & Hartson LLP				(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$860.00	
(4) STREET ADDRESS LINE NO. 1 555 13th Street, NW					
(5) STREET ADDRESS LINE NO. 2					
(6) CITY Washington				(7) STATE DC	(8) ZIP CODE 20004
(9) DAYTIME TELEPHONE NUMBER (include area code) 202/673-5858		(10) COUNTRY CODE (if not in U.S.A.)			
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED					
(11) PAYER (FRN)		(12) PAYER (TIN)			
IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)					
(13) APPLICANT NAME Williams Communications, LLC					
(14) STREET ADDRESS LINE NO. 1 One Technology Center, TC 15					
(15) STREET ADDRESS LINE NO. 2					
(16) CITY Tulsa				(17) STATE OK	(18) ZIP CODE 74103
(19) DAYTIME TELEPHONE NUMBER (include area code) 918-547-3734		(20) COUNTRY CODE (if not in U.S.A.)			
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED					
(21) APPLICANT (FRN) 0001700152		(22) APPLICANT (TIN) 731349451			
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET					
(23A) CALL SIGN/OTHER ID Domestic 214		(24A) PAYMENT TYPE CODE CUT		(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$860.00	(27A) TOTAL FEE \$860.00		FCC USE ONLY		
(28A) FCC CODE 1		(29A) FCC CODE 2			
(23B) CALL SIGN/OTHER ID		(24B) PAYMENT TYPE CODE		(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE		FCC USE ONLY		
(28B) FCC CODE 1		(29B) FCC CODE 2			
SECTION D - CERTIFICATION					
(30) CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE _____ DATE _____					
SECTION E - CREDIT CARD PAYMENT INFORMATION					
(31) <input type="checkbox"/> MASTERCARD	MASTERCARD/VISA ACCOUNT NUMBER: _____				EXPIRATION DATE: 12/02
<input checked="" type="checkbox"/> VISA	I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described. SIGNATURE <u>Robert Bolton</u> DATE <u>9/27/02</u>				

REMITTANCE ADVICE (Continuation Sheet)

FEDERAL COMMUNICATIONS COMMISSION

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Page No 2 of 3

SPECIAL USE

FCC USE ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT

SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME

WilTel Communications Group, Inc.

(14) STREET ADDRESS LINE NO. 1

One Technology Center, TC 15

(15) STREET ADDRESS LINE NO. 2

(16) CITY

Tulsa

(17) STATE

OK

(18) ZIP CODE

74103

(19) DAYTIME TELEPHONE NUMBER (include area code)

(918) 547-3734

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

0007719552

(22) APPLICANT (TIN)

010744785

IF MORE BOXES ARE NEEDED, USE ADDITIONAL FCC 159-C CONTINUATION SHEETS TO LIST EACH SERVICE

SECTION CC - PAYMENT INFORMATION

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

(25A) QUANTITY

(26A) FEE DUE FOR (PTC)

(27A) TOTAL FEE

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

(23C) CALL SIGN/OTHER ID

(24C) PAYMENT TYPE CODE

(25C) QUANTITY

(26C) FEE DUE FOR (PTC)

(27C) TOTAL FEE

FCC USE ONLY

(28C) FCC CODE 1

(29C) FCC CODE 2

(23D) CALL SIGN/OTHER ID

(24D) PAYMENT TYPE CODE

(25D) QUANTITY

(26D) FEE DUE FOR (PTC)

(27D) TOTAL FEE

FCC USE ONLY

(28D) FCC CODE 1

(29D) FCC CODE 2

(23E) CALL SIGN/OTHER ID

(24E) PAYMENT TYPE CODE

(25E) QUANTITY

(26E) FEE DUE FOR (PTC)

(27E) TOTAL FEE

FCC USE ONLY

(28E) FCC CODE 1

(29E) FCC CODE 2

(23F) CALL SIGN/OTHER ID

(24F) PAYMENT TYPE CODE

(25F) QUANTITY

(26F) FEE DUE FOR (PTC)

(27F) TOTAL FEE

FCC USE ONLY

(28F) FCC CODE 1

(29F) FCC CODE 2

REMITTANCE ADVICE (Continuation Sheet)

FEDERAL COMMUNICATIONS COMMISSION

Approved by OMB

3060-0589

Page No 3 of 3

SPECIAL USE

FCC USE ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT

SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME

Williams Communications Group, Inc., Debtor-in-Possession

(14) STREET ADDRESS LINE NO. 1

One Technology Center, TC 15

(15) STREET ADDRESS LINE NO. 2

(16) CITY

Tulsa

(17) STATE

OK

(18) ZIP CODE

74103

(19) DAYTIME TELEPHONE NUMBER (include area code)

(918) 547-3734

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

0007698848

(22) APPLICANT (TIN)

731462856

IF MORE BOXES ARE NEEDED, USE ADDITIONAL FCC 159-C CONTINUATION SHEETS TO LIST EACH SERVICE

SECTION CC - PAYMENT INFORMATION

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

(25A) QUANTITY

(26A) FEE DUE FOR (PTC)

(27A) TOTAL FEE

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

(23C) CALL SIGN/OTHER ID

(24C) PAYMENT TYPE CODE

(25C) QUANTITY

(26C) FEE DUE FOR (PTC)

(27C) TOTAL FEE

FCC USE ONLY

(28C) FCC CODE 1

(29C) FCC CODE 2

(23D) CALL SIGN/OTHER ID

(24D) PAYMENT TYPE CODE

(25D) QUANTITY

(26D) FEE DUE FOR (PTC)

(27D) TOTAL FEE

FCC USE ONLY

(28D) FCC CODE 1

(29D) FCC CODE 2

(23E) CALL SIGN/OTHER ID

(24E) PAYMENT TYPE CODE

(25E) QUANTITY

(26E) FEE DUE FOR (PTC)

(27E) TOTAL FEE

FCC USE ONLY

(28E) FCC CODE 1

(29E) FCC CODE 2

(23F) CALL SIGN/OTHER ID

(24F) PAYMENT TYPE CODE

(25F) QUANTITY

(26F) FEE DUE FOR (PTC)

(27F) TOTAL FEE

FCC USE ONLY

(28F) FCC CODE 1

(29F) FCC CODE 2

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of

WILLIAMS COMMUNICATIONS, LLC

Application Pursuant to Section 214 of the Communications Act of 1934 and Section 63.04 of the Commission's Rules for Consent to the Transfer of Control of Williams Communications, LLC from Williams Communications Group, Inc. as Debtor-in-Possession to WilTel Communications Group, Inc.

WC Docket No. 02-320

Attention: Wireline Competition Bureau

EXPEDITED ACTION REQUESTED

APPLICATION FOR CONSENT TO TRANSFER OF CONTROL

Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.04 of the Commission's rules, Williams Communications Group, Inc. as Debtor-in-Possession ("Williams")¹ and WilTel Communications Group, Inc. ("WilTel") hereby seek consent to the transfer of control of Williams Communications, LLC ("WCL")² from Williams

¹ Williams Communications Group, Inc. commenced a case under Chapter 11 of Title 11 of the United States Code on April 22, 2002. At that time, the Commission's Section 63.03(d)(2) notice requirement for a *pro forma* change in control to a debtor-in-possession was not yet in place.

² Williams, WilTel, and WCL are collectively referred to herein as the "Parties" or the "Applicants."

to WilTel. WCL holds authority pursuant to Section 214 to domestic telecommunications services.³

Through its wholly-owned operating subsidiary, WCL, Williams operates or manages a technologically advanced, fully operational, next-generation fiber-optic broadband network that spans over 30,000 route-miles connecting 125 U.S. cities and extends to Asia, Europe, Mexico and the Pacific Rim. WCL continues to operate in the ordinary course of business outside of bankruptcy.

Grant of the requested transfer of control will permit consummation of a plan of reorganization ("POR") that is currently being considered by the United States Bankruptcy Court for the Southern District of New York (Case No. 02-11957). The POR is the result of an agreement reached among Williams, its creditors and Leucadia National Corporation ("Leucadia"). The POR provides for the creation of WilTel, a new holding company with improved capitalization. The reorganization will permit WilTel's operating subsidiary, WCL, to continue to provide competitive telecommunications services. Accordingly, the Parties submit that grant of the instant application will serve the public interest.

The bankruptcy court is scheduled to hold a Confirmation Hearing regarding the POR on September 30, 2002, and if the POR is

³ WCL also holds satellite earth station licenses, microwave licenses, and cable landing licenses, and the Parties are filing appropriate applications for ownership changes relating to these licenses.

approved, the reorganization is scheduled to be consummated on October 15, 2002. We request expedited consideration of this application in order to permit the reorganization to be consummated as quickly as possible upon court approval of the POR.

A more detailed description of the Parties and the proposed reorganization are provided below, along with the information required pursuant to Section 63.04 of the Commission's Rules.

I. DESCRIPTION OF THE APPLICANTS

A. Williams Communications, LLC (WCL) and Williams Communications Group, Inc. as Debtor-in-Possession (Williams)

WCL provides domestic common carrier services pursuant to the blanket Section 214 authority granted in Section 63.01(a) of the Commission's Rules. Under the current ownership structure, Williams owns 100% of the equity of WCL. WCL itself is not undergoing reorganization. However, the plan of reorganization provides for the transfer of ownership of WCL from Williams to WilTel. Subsequent to the reorganization, WCL will continue to operate as a subsidiary of WilTel. Thus, the ultimate ownership of WCL will change due to the ownership changes occurring as part of the reorganization of Williams.

B. WilTel Communications Group, Inc. (WilTel)

Pursuant to the POR, WilTel will acquire ownership of 100% of the equity of WCL. WilTel will be a new corporate entity formed in the State

of Nevada. Williams will continue to exist as a separate corporate entity, but will have a new corporate charter limiting its activity.

The POR provides for cancellation and discharge of all the equity of Williams. The POR also provides that WilTel will issue new common stock. The new common stock will be distributed to existing unsecured creditors of Williams ("Creditors") and to Leucadia.

The initial board of directors of WilTel will consist of nine members. Leucadia will be entitled to designate a total of four board members, two of whom will be independent directors. The existing unsecured creditors of Williams will be entitled to designate a total of four board members. Those eight board members together will choose the ninth member, who will serve as Chief Executive Officer.

II. DESCRIPTION OF THE REORGANIZATION

The POR contemplates the creation of WilTel, a new holding company that will own 100% of the stock of WCL. The POR is the result of a pre-negotiated agreement in principle between Williams, the Creditors, The Williams Companies, Inc. and Leucadia. Upon confirmation by the bankruptcy court, the POR will permit continued service to Williams' customers.

The POR provides for WilTel to have the following ownership structure:

- Williams' senior redeemable notes will be cancelled, and the unsecured creditors of Williams, including the holders of these notes, will receive 55% of WilTel's common stock (subject to a reduction to 51.3% under certain circumstances).
- Leucadia will purchase claims of The Williams Companies for \$180 million and will invest \$150 million in WilTel for approximately 45% of WilTel's common stock (subject to a reduction to 44% under certain circumstances).

III. PUBLIC INTEREST SHOWING

Grant of the instant application will serve the public interest, convenience, and necessity. Implementation of the POR will allow Williams to transfer ownership of WCL to WilTel, a new holding company with a revised ownership structure and improved capitalization. As an operating subsidiary of WilTel, WCL will be able to provide uninterrupted telecommunications services to existing customers. Furthermore, the proposed reorganization is pro-competitive. It does not involve the merger or consolidation of competing carriers. Instead, it will permit WCL to continue to offer services in competition with other providers, including incumbent local exchange carriers. Thus, implementation of the POR will allow continuity of service to customers and promote competition, and is therefore in the public interest.

IV. INFORMATION REQUIRED BY SECTION 63.04

The Parties seek authority for the transfer of control of WCL from Williams to WilTel. Therefore, pursuant to Section 63.04(a) of the Commission's rules, the Parties submit the following information in support of this Application:

(1) The transferor is Williams Communications Group, Inc. (debtor-in-possession). Its address and telephone number are:

Williams Communications Group, Inc.
One Technology Center, TC 15
Tulsa, Oklahoma 74103
Phone: (918) 547-6000

The transferee is WilTel Communications Group, Inc. Its address and telephone number are:

WilTel Communications Group, Inc.
One Technology Center, TC 15
Tulsa, Oklahoma 74103
Phone: (918) 547-6000

The carrier being transferred is Williams Communications, LLC. Its address and telephone number are:

Williams Communications, LLC
One Technology Center, TC 15
Tulsa, Oklahoma 74103
Phone: (918) 547-6000

(2) WCL is a limited liability company organized and existing under the laws of the state of Delaware. Williams is a Delaware corporation. WilTel will be a Nevada corporation.

(3) Correspondence concerning this application should be addressed to the following:

Richard Wolfe
Director, Regulatory Affairs
Williams Communications, LLC
One Technology Center, TC 15

Tulsa, Oklahoma 74103
Phone: (918) 547-8771
Fax: (918) 547-9446
E-mail: rick.wolfe@wgcg.com

With a copy to:

P. David Newsome
General Counsel
Williams Communications, LLC
One Technology Center, TC 15-062
Tulsa, Oklahoma 74103
Phone: (918) 547-5057
Fax: (918) 547-2361
E-mail: david.newsome@wgcg.com

(4) The following are the names, addresses, citizenship, and principal businesses of any person or entity that will directly or indirectly own at least ten percent of the equity of the authorized carrier following the proposed transaction.

Williams Communications Group, Inc., debtor-in-possession, currently holds 100% of the equity of WCL, and subsequent to the proposed reorganization, WilTel Communications Group, Inc. will hold 100% of the equity of WCL.

The name, address, citizenship and principal business of WilTel Communications Group, Inc. is as follows:

WilTel Communications Group, Inc.
One Technology Center, TC 15
Tulsa, Oklahoma 74103
(918) 547-6000

Citizenship: USA (Nevada corporation)

Principal Business: Non-dominant U.S. telecommunications carrier.

Leucadia National Corporation will hold approximately 45% of WilTel's common stock (subject to a reduction to 44% under certain circumstances). No owner of Leucadia's stock will indirectly own ten percent

or more of WilTel's stock,⁴ and no other entity will directly or indirectly own at least ten percent of the equity of WCL following the proposed transaction.

The name, address, citizenship and principal business of Leucadia National Corporation is as follows:

Leucadia National Corporation
315 Park Avenue South
New York, New York 10010

Citizenship: USA (New York corporation)

Principal Business: Diversified holding company

(5) WCL hereby certifies pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

⁴ Ian M. Cumming is Chairman of the Board of Leucadia, and Joseph S. Steinberg is President of Leucadia. Each is a U.S. citizen.

As of April 11, 2002, as determined under Section 13d-3 of the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, Mr. Cumming beneficially owned approximately 18% of the outstanding shares of Leucadia, and Mr. Steinberg beneficially owned approximately 16.8% of the outstanding shares of Leucadia (in each case including shares subject to issuance upon the exercise of outstanding warrants and excluding shares owned by charitable trusts or trusts for the benefit of Mr. Steinberg's children over which Mr. Steinberg does not have voting or dispositive power). Messrs. Cumming and Steinberg have an oral agreement pursuant to which they will consult with each other as to the election of a mutually acceptable Board of Directors of Leucadia. Assuming Leucadia receives a 45% interest in WilTel, Mr. Cumming's and Mr. Steinberg's individual ownership of Leucadia would result in an effective beneficial ownership of WilTel of approximately 8.1% and 7.6%, respectively. If their ownership of Leucadia common shares were deemed to be combined, they would together beneficially own approximately 34.5% of the outstanding shares of Leucadia, which would result in effective beneficial ownership of WilTel of approximately 15.5%.

(6) As set forth in Section II above, this application seeks Commission consent to the transfer of control of WCL, a domestic telecommunications services provider, from Williams to WilTel.

(7) Transferor Williams, through its operating subsidiary WCL operates or manages approximately 30,000 route miles of a nationwide fiber optic network. It provides voice and data telecommunications services over its network on a wholesale basis to other telecommunications companies.

(8) The instant application qualifies for streamlining under Section 63.03(b)(2)(i) because WCL will have a market share in the interstate, interexchange market of less than 10% and will provide competitive exchange services and exchange access only in geographic areas served by a dominant local exchange carrier that is not a party to the transaction and because no party to this application is dominant with respect to any service.

(9) As noted above, WCL holds satellite earth station licenses, microwave licenses and a cable landing license, and the Parties are also filing applications seeking Commission consent to the transfer of control of these licenses.

(10) The applicants seek expedited action on this application in order to permit implementation of the transactions related to the POR as soon as possible after the POR has been approved by the bankruptcy court.

(11) No waiver requests are being filed in conjunction with the transaction.

(12) As discussed in Section III above, grant of the instant application will permit WCL to continue to provide competitive telecommunications services. Accordingly, the Parties submit that grant of the application will serve the public interest, convenience and necessity.

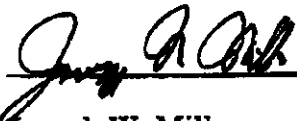
V. CONCLUSION

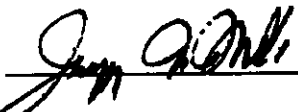
For the foregoing reasons, the Parties respectfully request that the Commission consent to the transfer of control of WCL and its domestic telecommunications operations pursuant to the proposed plan of reorganization.

Respectfully submitted,

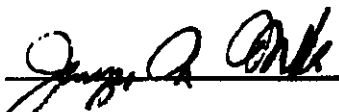
Williams Communications, LLC

Williams Communications Group, Inc.,
Debtor-in-Possession

By: 
Joseph W. Miller
Assistant Secretary
One Technology Center, TC 15
Tulsa, Oklahoma 74103

By: 
Joseph W. Miller
Assistant Secretary
One Technology Center, TC 15
Tulsa, Oklahoma 74103

WITel Communications Group, Inc.

By: 
Joseph W. Miller
Assistant Secretary (Following
Formation)
One Technology Center, TC 15
Tulsa, Oklahoma 74103

Dated: September 27, 2002